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May 17, 2006

Beth O'Donnell
Executive Director
Kentucky Public Service Commission
P. O. Box 615
Frankfort, KY 40602-0615

Fax (502) 564-7279

Re: Case No. 2005-00369
Proposed Whole Water Service Rates for City of Versailles

Dear Ms. O'Donnell

The purpose of this letter is to advise the Public Service Commission that the City of Versailles has determined to withdraw its proposed rate adjustment for wholesale water service that is the subject of the above-numbered proceeding.

After meetings with your staff, it is apparent that the accounting system presently being utilized by the City is not sufficient to permit your staff to determine appropriate rates for the water service provided by the City to its wholesale customers. The City of Versailles respectfully requests that the Public Service Commission authorize and direct its staff to work with the City to develop an appropriate rate structure for the City's wholesale customers and to complete this project within the next 120 days.

We are genuinely appreciative of the input of your staff on this issue and look forward to working with them on this project.

Sincerely yours,



William K. Moore
Versailles City Attorney

cc: John S. Davis, Chairman
Northeast Woodford County Water District
225A South Main Street
Versailles, KY 40383